

# Globalive Technology Reports Results for the 2019 Financial Year

TORONTO, April 14, 2020 /CNW/ - Globalive Technology Inc. (TSX-V: LIVE) (the "Company"), a technology company based in Toronto, Ontario, today announced its financial and operational results for the financial period from January 1, 2019 to December 31, 2019 (the "Reporting Period").

The Company's focus during the Reporting Period was on research, development and transactional opportunities for growth. During the Reporting Period, due to a significant decline in applicable markets, the Company substantially ceased its operations in the blockchain and cryptocurrency space and took steps to wind down its business ventures in those areas. The Company has also taken steps to conserve its available capital for use in other business ventures and transactional opportunities.

For a summary of the financial results, see the Selected Annual Financial Highlights set out below as well as the more detailed information contained in the Company's annual financial statements and related management discussion and analysis which are available on the Company's SEDAR page at [www.sedar.com](http://www.sedar.com).

## **SELECTED ANNUAL OPERATIONAL HIGHLIGHTS**

Key milestones and operational developments for the Company during the Reporting Period included:

- ***Interest in the Flexiti Group:*** The Company continued to take steps during the Reporting Period to position itself to acquire control of, or a more significant equity position in, FLX Holding Corp. ("FLX") and its subsidiary, Flexiti Financial Inc. ("Flexiti", and together with FLX and their respective subsidiaries, the "Flexiti Group"), a point-of-sale retail consumer finance company. These steps included: (i) exercising its call right to acquire (and subsequently amalgamate with) 2629331 Ontario Inc. ("262"), the controlling shareholder of FLX, subject to certain conditions precedent including the Company being satisfied that adequate financing can be raised by the Company, FLX and Flexiti to support the business of the Flexiti Group, (ii) working with the Flexiti Group and its key stakeholders to see if the foregoing conditions can be satisfied, (iii) providing a secured \$3,000,000 loan to 262 to allow it to participate in internal Flexiti Group securities offerings to preserve its equity position in those companies, and (iv) supporting the financing efforts of the Flexiti Group, including by participating in non-binding discussions around a possible business combination or other transaction between the Company, FLX and Flexiti, which was ultimately not pursued.

There can be no assurance at this time that the conditions necessary to complete the transactions associated with the exercise of the call right will be satisfied or on what terms those transactions may be completed. The risks associated with these transactions have been exacerbated, following the end of the Reporting Period, by developments relating to the novel coronavirus pandemic, including the measures implemented by governments, regulators, businesses and customers to respond to the pandemic, the significant decline and heightened volatility in world markets, and the potential effect on the Flexiti Group's business and retail partners. The risks and uncertainties presented by the foregoing may impact the desirability, feasibility and economic terms of a transaction by the Company to acquire a more significant interest in the Flexiti Group. Consequently, the Company is in the process of re-evaluating any potential transaction involving the Flexiti Group while it waits for markets to stabilize and for the full effect of the pandemic to become clear.

- ***Consolidated Billing Platform (Sponsor):*** The Company was engaged in developing a utility

commerce management platform that bundles the billing for utility services and other similar household bills into a single consolidated invoicing and payment regime for Neighbor Billing Inc. ("Neighbor"). During the Reporting Period, following a thorough consideration of market conditions and strategic alternatives, the Company determined that the additional capital required to fund the next phase of Neighbor's development and operations exceeded what the Company and its business partner, Sponsor Energy Inc. ("Sponsor"), were prepared to make available. On June 4, 2019, the Company completed a transaction to conclude its business venture with Sponsor, with the result that the Company is now the sole owner of Neighbor and its associated intellectual property, but has granted limited licenses to Sponsor to allow it to commercialize certain portions of the intellectual property on a non-exclusive basis in the utilities market. The Chief Technology Officer, Chief People Officer and certain employees engaged by the Company to work solely on the Neighbor billing platform departed the Company during the Reporting Period and the Company does not anticipate pursuing any further development of Neighbor in the near term.

- **Blockchain and Cryptocurrency Business Ventures:** The Company pursued and formed a number of business ventures with partners in the blockchain and cryptocurrency space during its previous financial period (from March 1, 2018 to December 31, 2018, the "Prior Period"), including: (i) a business venture with HyperBlock Inc. ("HyperBlock") formed on June 11, 2018, to provide digital currency mining-as-a-service to retail customers, and (ii) a business venture with Business Instincts Group Inc. ("BIG") formed on May 24, 2018, to form an agile development and continuous delivery software development firm dedicated to launching innovative solutions in the blockchain space. The blockchain and cryptocurrency markets declined significantly during the Prior Period and these ventures did not perform to the Company's expectations.

The Company is not actively pursuing additional business partners or opportunities in the blockchain or cryptocurrency space and took steps during the Reporting Period to wind down its existing business ventures in this space: selling the digital currency mining equipment from its business venture with HyperBlock to HyperBlock for a purchase price of \$63,920, and selling its interest in its business venture with BIG to BIG for a debenture in the principal amount of \$1,250,000.

- **Investments:** The Company has made and continues to make strategic investments in existing and potential future collaborators and other strategic partners. During the Reporting Period, the Company allocated additional capital into Xtreme Blockchain Labs Inc., Pitchpoint Solutions Inc., Civic Resources Group International (d/b/a "CivicConnect"), Acorn Biolabs Inc. and the Blockchain and Artificial Intelligence Fund established by Creative Destruction Labs at the University of Toronto. After the Reporting Period, the Company also allocated some further capital to CivicConnect.

The Company faces risks in connection with its strategic investments that are typical of venture investing in early-stage technology companies. Following the end of the Reporting Period, the Company now also faces risks associated with the novel coronavirus pandemic and the response of governments, regulators, businesses and customers to the pandemic, which may have a significant effect on the Company's strategic investments, including but not limited to: reducing the availability of financing and transactional opportunities to investees; reductions in investee working capital and liquidity, staffing and supply chain challenges faced by investees due to illness; business disruptions caused by the closure of non-essential businesses and mandatory or optional work-from-home policies; the loss of existing and potential customers and business partners for investees; and other risks typical for technology companies operating during the novel coronavirus pandemic.

## SELECTED ANNUAL FINANCIAL HIGHLIGHTS

Key financial characteristics of the Company as at the end of the Reporting Period and the Prior Period were:

	December 31, 2019	December 31, 2018
Cash	8,860,276	13,436,845
Working capital**	8,764,497	13,546,228
Total Assets	24,205,551	38,311,011
Total Liabilities	152,807	1,046,334
Change in unrealized gain (loss) from investments	(8,690,745)	(10,598,541)
Net income (loss) before taxes for the period	(14,093,683)	(23,330,537)
Deferred tax recovery (expense)	-	912,778
Net income (loss) and comprehensive income (loss) attributable to the shareholders of the Company	(14,448,574)	(22,450,560)

\*Note that the Company's prior financial period ending December 31, 2018 was a short financial year, covering the period from March 1, 2018 to December 31, 2018.

\*\* Note that "working capital" does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Working capital consists of current assets minus current investments minus current liabilities plus promissory notes. Working capital excludes any digital assets and investments. Working capital should not be considered in isolation or as an alternative or substitute from measures prepared in accordance with IFRS (such as Net and Comprehensive Income).

## ABOUT GLOBALIVE TECHNOLOGY

Globalive Technology is a next generation software company and venture partner that is developing and investing in innovative solutions to disrupt traditional industries. The company forms partnerships with leading high growth companies to develop and commercialize software solutions using optimal technology stacks. It is controlled by Globalive Capital Inc., which has founded and co-founded 12 businesses over the past 20 years with six successful exits ranging from \$10M to \$1.3B USD, has made over 100 venture investments and has over 45 technology companies in its portfolio. For more information, visit [www.globalivetech.com](http://www.globalivetech.com).

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

*This news release contains forward-looking statements relating to the Company, its potential acquisition of a control position or significant equity stake in the Flexiti Group, its software development projects, its business ventures and its future business plans. Such forward-looking statements are identified by terms such as "for use in", "continued to", "subject to", "can be", "will be", "to see if", "to acquire", "in the process", "possible", "may be", "may impact", "continues to" and similar expressions. All statements, other than statements of historical fact included in this release, including those noted above, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include changes to the Company's business focus or strategic plan; changes in market and industry conditions; unexpected operating gains or losses; management's assessment of the viability of different businesses and business partners; a breakdown in the Company's relationship with its existing or potential future business partners; changes in the Company's management and employees; the availability of future transactional opportunities; the satisfaction of the conditions precedent to completing any existing business or transactional opportunities, including the availability of adequate financing and regulatory, shareholder and third-party approvals; other parties seeking to acquire an interest in FLX and Flexiti; difficulties combining the businesses of Flexiti and the Company; difficulties or delays in the development of new technologies; technologies not functioning as expected; third parties not using technologies and services as expected; economic conditions making certain technologies or services less attractive than anticipated; competitors in the industry; the potential effect of the novel coronavirus pandemic on existing and potential transactional opportunities, the availability of financing, the performance and viability of the Company's business ventures, business partners and investee technology*

companies; the novel coronavirus pandemic impacting on the availability of financing, the novel coronavirus pandemic introducing business interruptions due to illness, work-from-home policies or supply chain disruptions and other risks as set out in the Company's Filing Statement available on its SEDAR page at [www.sedar.com](http://www.sedar.com).

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The Company cannot guarantee that any of the forward-looking statements contained in this press release will occur as disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information.*

*Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly the included forward-looking statements as expressly required by Canadian securities law.*

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